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Chapter 6. Real Estate Agreements with Other Federal **Entities**

6.1 Introduction

- 6.1.1 NASA facilities and real estate assets that are considered for out-grant to other Federal agencies should be required to support a current or future NASA mission requirement. Additionally, the asset should be less than fully utilized so that an out-grant to another Federal agency does not interfere with NASA mission requirements. If the asset does not have a known mission focus in support of current or future NASA mission requirements and the asset is also underutilized, the Center should consider disposal of the facility through demolition or other means. However, waivers to this policy can be requested by the Center and this is discussed in Section 6.4.1.
- 6.1.2 Real estate agreements with other Federal agencies may be an out-grant of NASA real property for use by another agency, or an in-grant of the other agency's real estate for use by NASA. Agreements under which NASA is the tenant in another agency's property are considered acquisitions and are discussed in Chapter 4 of this NPR.
- 6.1.3 In its position as a leader in research in the Federal Government, as well as the owner of unique scientific facilities, NASA often enters real estate agreements with other Federal entities. An out-grant of NASA real property to another Federal agency has the potential to reduce NASA's operating costs, as well as the potential to save the other agency the costs of developing a capability through other means such as new construction. Additionally, if the NASA property is underutilized, the agreement with another Federal agency can leverage the asset into a more productive asset,

maximizing its utilization and efficiency.

- 6.1.3.1 Regarding the out-granting of land to another Federal entity, it is not NASA's intent that permanent improvements constructed by the other Federal entity become the property of NASA.
- 6.1.3.2 In addition to FERP Division requirements, the Office of Program and Institutional Integration (OPII) has additional requirements for review of the Space Act Agreements (SAA) under which NASA property may be used by another Federal agency. Review by OPII does not satisfy the requirement for review and approval by the FERP Division, and vice versa. Centers need to ensure that they understand and comply with these requirements.
- 6.1.4 This chapter discusses requirements and processes for Centers to obtain Headquarters' approval to enter into agreements with other Federal entities, including SAAs and interagency agreements such as Memorandums of Understanding/Memorandums of Agreement (MOU/MOA) with real estate being part of the agreement. These methods are considered out-grants of NASA real property assets and include all legal instruments for that purpose.

6.2 Guiding Principles and Practices Governing Federal Entity Agreements

- 6.2.1 The Center shall determine and certify that a given out-grant of NASA property will not negatively impact the NASA mission and maintain this certification in the Center's real estate files.
- 6.2.2 All use of NASA real property assets by other Federal entities shall be covered by an out-grant agreement, such as an SAA, interagency agreement such as an MOU/MOA, or other agreement. Agreements with Federal entities should not be by an Enhanced Use Lease (EUL) without prior concurrence by the FERP Division.
- 6.2.3 Prior to developing agreements with other Federal entities, Centers shall provide written notification to the FERP Division of the Center's intent to develop such real estate agreements. The purpose of this notification is to initiate an ongoing dialogue between the FERP Division and the Center, and not a formal request for review and approval, which is required later.
- 6.2.4 Centers shall forward abstracts that include key information of the proposed activities to OPII in accordance with OPII requirements. Guidance is contained in Chapter 1.3 of NASA Advisory Implementing Instruction (NAII) 1050-1, "Space Act Agreements Guide (August 2008)."
- 6.2.5 All real estate agreements with other Federal entities requiring FERP Division review and approval shall be submitted through the e router system of the Space Act Agreement Maker (SAAM) System.
- 6.2.5.1 Any agreement with another Federal entity that includes the use of Agency real property for a period greater than 5 years shall be submitted to the FERP Division for review and approval.
- 6.2.5.2 Any prior agreement with a Federal entity that is to be extended so that the total length of the agreement is greater than 5 years is to be submitted to the FERP Division

for review and approval.

- 6.2.6 Any permanent structure that is constructed or funded by a Federal tenant shall remain the property of the Federal tenant.
- 6.2.7 Real estate agreements with other Federal entities shall be executed by the Center Director only after review and approval by the FERP Division. In cases where authority has been granted to a Center, the FERP Division should be consulted prior to executing real estate instruments.

6.3 Roles and Responsibilities of NASA Offices and Property Managers with Real Estate Agreements with Other Federal Entities

- 6.3.1 The Real Property Accountable Officer
- 6.3.1.1 The Center RPAO, or other NASA official specifically designated by the Center Director, supports the agreements to completion by:
- a. Managing documentation and planning for proposals.
- b. Submitting an abstract for all SAA proposals to OPII for concurrence, as described in the latest abstract guidance contained in Chapter 1.3 of the NAII 1050-1, "Space Act Agreements Guide (August 2008).
- 6.3.1.2 Center Directors shall designate in writing the Center official, if not the RPAO, who is responsible for developing and negotiating the agreement for the Center. This person may be the SAA agreement manager assigned in accordance with NPD 1050.1.
- 6.3.2 Center Directors
- 6.3.2.1 The Center Director shall determine and certify that any given out-grant will not have a negative impact on the NASA mission.
- a. This certification shall be maintained in the Center real estate files.
- b. A copy shall be sent to the Director, FERP Division when the abstract is sent to OPII or when the agreement is submitted for review, whichever occurs first.
- 6.3.2.2 The Center Director or the Center Director's designee shall ensure that organizations at Centers affected by an agreement with another Federal entity review business cases and leases and modify them, if necessary, to ensure there is no negative impact on their core mission.
- 6.3.3 NASA Headquarters
- 6.3.3.1 The FERP Division reviews and approves business cases and agreements with other Federal entities and facilitates review by other Headquarters offices, including the Office of the General Counsel and, through them, the Office of International and Interagency Relations, which reviews all agreements with other Federal agencies.
- 6.3.3.2 The NASA OPII coordinates review of abstracts submitted by the Centers for Space Act Agreements with other Federal entities.
- 6.3.3.3 Other Headquarters offices may review submissions as requested by the FERP Division in their office's areas of expertise and confer with their Center counterparts to obtain complete information.

6.4 Identifying Property or Facilities Suitable for Agreements with Other Federal Entities

- 6.4.1 Agreement with another Federal Entity
- 6.4.1.1 Centers should consider entering an out-grant agreement for use of an asset by another Federal entity only if the asset does not have a known mission focus in support of current or future NASA mission requirements. Additionally, the asset should be less than fully utilized so that an out-grant to another Federal agency does not interfere with NASA mission requirements. If the asset does not have a known mission focus in support of current or future NASA mission requirements and the asset is underutilized, the Center should consider disposal of the facility through demolition or other means.
- 6.4.1.2 NASA Headquarters will consider waivers to this policy if they are submitted by the Center in writing and show justification that a NASA asset that is not required to support a current or future NASA mission requirement should be out-granted under a real estate agreement to another Federal agency.
- 6.4.1.2.1 Examples of the justification include that the NASA facility is unique and the use by another agency will support the mission of the other agency, or that the asset is historical and NASA has determined that due to its historic nature, NASA will not dispose of the asset.
- 6.4.2 Business Case
- 6.4.2.1 A Center shall develop business cases for all real estate agreements with other Federal entities.
- 6.4.2.2 The business case shall use a life-cycle cost analysis (LCCA) to ensure the Center has evaluated all costs related to allowing the asset to be used by another Federal entity through the proposed real estate agreement. These costs are to include any nonreimbursed costs for maintenance or repair of a facility, as well as nonreimbursed service pool-related costs such as security and fire protection. The LCCA should support the agreement as the best economic value to NASA and compare the agreement to alternatives for managing the property.
- 6.4.2.3 All alternatives should include the costs in personnel resources to develop, enter into, and manage the lease, as well as operations and maintenance costs. Reimbursable costs, common service charges, and other revenues received from the other Federal entity should be included, as appropriate. Comparison of alternatives should be made according to the provisions of Section 4.8.4 of this NPR.
- 6.4.3 Headquarters Review
- 6.4.3.1 All requests for approval by the FERP Division shall be submitted through the e-router system of the Space Act Agreement Maker (SAAM) system. The e-router submission will include the following attachments:
- a. A letter signed by the Center Director or their designee to the Director, FERP Division requesting review and approval.
- b. A summary of the agreement, including:

- (1) Property description.
- (2) Terms of the agreement.
- (3) How the proposed agreement supports NASA's mission in both qualitative and quantitative terms, as appropriate.
- c. A final draft of the unsigned agreement as agreed to by all parties.
- d. An LCCA for the agreement that conforms to OMB Circular A-94, "Guidelines and Discount Rates for Benefit-Cost Analysis of Federal Programs" (use of ECONPACK software is recommended).
- e. An Environmental Baseline Survey and completion certification for the NEPA process. Copies of these documents are to be held by the Center.
- 6.4.3.2 The FERP Division shall coordinate the review of the submitted agreement with the following Headquarters organizations:
- a. The Office of General Counsel, which will review the agreement for legal sufficiency and, through them, the Office of International and Interagency Relations, which has the responsibility for the review of all agreements with other Federal agencies.
- b. The Environmental Management Division, which will review the agreement in coordination with the Center Environmental Officer to ensure that environmental regulations are followed with respect to the tenant's operations and potential liability. They also will ensure that environmental requirements are met, as well as ensuring the agreement specifies environmental hazards present on the site.
- c. The Office of Safety and Mission Assurance, which will ensure that the agreement conforms to NASA's policies for the safety of both NASA and tenant personnel, as well as ensure adherence in the agreement to Agency-wide safety, reliability, maintainability, and quality assurance policies and procedures.
- d. The FERP Division also shall coordinate review of the submitted lease and submission package with the Headquarters Office of Protective Services.
- e. The following organizations may be requested to review significant real estate agreements that grant, by lease or other instrument, use or control of NASA property for a period of greater than 5 years or agreements of potential outside interest:
- (1) The Office of Independent Program and Cost Evaluation (IPCE), which will provide objective, transparent, and multidisciplinary analysis of significant agreements that may have noteworthy external interest, in order to inform strategic decision making relevant to the lease.
- (2) The Office of Program and Institutional Integration (OPII), which will ensure that the actions of significant agreements with other Federal agencies that may have noteworthy external interest have been integrated across programmatic and/or institutional lines and will provide an independent, "nonpartisan" review for selected cross-cutting initiatives.
- 6.4.3.3 The Headquarters review shall ensure that the agreement supports a continuing need for the real estate asset that is subject to the out-grant whether for a current NASA mission, future NASA mission, or other reasons as submitted by the Center and approved by the FERP Division, as discussed in Section 6.4.1.

6.4.4 Recording the Agreement

- 6.4.4.1 The RPMS will be used to record all agreements with other Federal entities involving real property. Each agreement whether for land, building, other structure, infrastructure, or part of a building shall be entered as a separate instrument.
- 6.4.4.2 Space Act Agreements and interagency agreements such as MOUs/MOAs shall be entered as "Agreements."
- 6.4.4.3 The Center RPAO shall enter the name of the other Federal entity and the term of the agreement into the RPMS. The RPAO may enter other Center-required information into the RPMS.
- 6.4.4.4 The information in the RPMS will be used for internal reporting and for annual reporting to the Government Accountability Office (GAO) as part of the Federal Real Property Profile (FRPP).

6.5 Recording Monetary Value for Capital Modifications and Improvements in Agreements with Other Federal Entities

- 6.5.1 Agreements with other Federal entities may authorize the other Federal entity to make capital and other improvements to a NASA facility. Improvements to a NASA facility made by the other Federal entity have dollar value, and such improvements, if transferred to NASA, are viewed as if NASA had purchased them at the same dollar value.
- 6.5.1.1 Improvements constructed by the other Federal entity, such as buildings or other permanent structures, on land under the control of NASA will not become the property of NASA. Constructed improvements are to remain under the ownership and control of the other Federal agency.
- 6.5.1.2 If the agreement allows the other Federal entity to make improvements to the NASA facility, the RPAO shall enter the value of these modifications or improvements into the specific real property record as an increase in the value of that asset, and improvements will be capitalized in accordance with NPR 9250.1, Chapter 2 and recorded in NASA's real property records using the RPMS on the Property Value Tab.
- 6.5.1.3 NASA Headquarters will consider waivers to this policy if they are submitted to the FERP Division in a letter signed by the Center Director or designee. The request for waiver shall be accompanied by an LCCA, a justification indicating why the facility should be transferred to NASA, and how the acceptance of a facility from another Federal entity will support NASA's current or future missions.
- 6.5.1.4 A Center may request transfer of the constructed asset to NASA no less than 1 year before the end of the term of the property agreement by submitting an explanation of the benefit of such acceptance in accordance with the acquisition policy in Chapter 4 of this NPR.
- 6.5.1.5 Any constructed asset not accepted for transfer shall be removed by the Federal tenant at the end of the term of the agreement.

6.6 Environmental, Historical, and Sustainability Considerations

- 6.6.1 Tasks Prior to Executing Agreement with Other Federal Entities
- 6.6.1.1 Before agreements with other Federal entities can be submitted for approval, the Environmental Office at the Center shall complete the following tasks:
- a. Environmental Baseline Survey (EBS) (when determined appropriate by the Center).
- (1) The EBS is to establish the baseline environmental condition of the property to be out-leased.
- (2) When the property is returned to NASA, a second EBS shall be performed and compared with the original EBS to determine whether any environmental contamination occurred during the period the property remained in the other entity's hands.
- b. National Environmental Policy Act process.
- (1) The NEPA process involves the systematic examination of the possible and probable environmental consequences of implementing the proposed use of the NASA property.
- (2) The NEPA process does not replace other procedural or substantive environmental requirements (e.g., NHPA or Endangered Species Act compliance).
- (3) To be effective, the NEPA process is to be integrated at the earliest possible time with all other project planning efforts.
- 6.6.1.2 The Center Historical Preservation Officer shall ensure that agreements with other Federal entities involving property of a historic nature comply with the requirements of Section 106 of the NHPA prior to approval.
- a. Section 106 of the NHPA provides guidance on coordinating with the State Historic Preservation Office (SHPO) and/or the Advisory Council on Historic Preservation (ACHP) to determine whether there will be adverse effects on historic properties as a result of the agreement and what mitigation measures are appropriate.
- b. Agreements with Federal entities shall include language protecting the integrity of the historical attributes of the property.
- c. The goal of the coordination efforts is to reach an MOA with the SHPO/ACHP regarding the measures that will be taken to mitigate any adverse effects to historic properties.
- 6.6.1.3 Agreements with other Federal entities shall comply with Federal guiding principles for sustainability, as established by EO 13423.

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